

BrokerCheck Report

CROSSMARK DISTRIBUTORS, INC.

CRD# 14970

<u>Section Title</u>	<u>Page(s)</u>
Report Summary	1
Firm Profile	2 - 5
Firm History	6
Firm Operations	7 - 14
Disclosure Events	15



When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

• **Thank you for using FINRA BrokerCheck.**



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.



CROSSMARK DISTRIBUTORS, INC.

CRD# 14970

SEC# 8-30994

Main Office Location

15375 MEMORIAL DRIVE
SUITE 200
HOUSTON, TX 77079
Regulated by FINRA Dallas Office

Mailing Address

15375 MEMORIAL DRIVE
SUITE 200
HOUSTON, TX 77079

Business Telephone Number

713-260-9000

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.
This firm was formed in Delaware on 11/09/1983.
Its fiscal year ends in March.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 53 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? No

This firm conducts 2 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm does not have referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? Yes

The following types of disclosures have been reported:

Type	Count
Regulatory Event	2



Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 11/09/1983.

Its fiscal year ends in March.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

CROSSMARK DISTRIBUTORS, INC.

Doing business as CROSSMARK DISTRIBUTORS, INC.

CRD# 14970

SEC# 8-30994

Main Office Location

15375 MEMORIAL DRIVE
SUITE 200
HOUSTON, TX 77079

Regulated by FINRA Dallas Office

Mailing Address

15375 MEMORIAL DRIVE
SUITE 200
HOUSTON, TX 77079

Business Telephone Number

713-260-9000



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): CROSSMARK GLOBAL HOLDINGS, INC.

Is this a domestic or foreign entity or an individual? Domestic Entity

Position PARENT COMPANY

Position Start Date 11/1983

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): COPPEDGE, JIM ANTHONY

3275004

Is this a domestic or foreign entity or an individual? Individual

Position GENERAL COUNSEL / CHIEF COMPLIANCE OFFICER / PRINCIPAL

Position Start Date 12/2017

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): LINDSEY, HEATHER TREIGLE

2646043

Is this a domestic or foreign entity or an individual? Individual

Position PRESIDENT / CHIEF EXECUTIVE OFFICER / DIRECTOR

Position Start Date 01/2024

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): WYNANT, SCOTT HOWARD
1037373

Is this a domestic or foreign entity or an individual? Individual

Position EXECUTIVE VICE PRESIDENT / PRINCIPAL

Position Start Date 04/2015

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.



Indirect Owners

Legal Name & CRD# (if any):	STEWARD FINANCIAL HOLDINGS, INC.
Is this a domestic or foreign entity or an individual?	Domestic Entity
Company through which indirect ownership is established	CROSSMARK GLOBAL HOLDINGS, INC.
Relationship to Direct Owner	SHAREHOLDER CLASS B
Relationship Established	10/2008
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 53 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	01/13/1984

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: Yes

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	09/25/1984



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	07/10/1984
Alaska	Approved	10/04/1985
Arizona	Approved	01/03/1984
Arkansas	Approved	11/22/1988
California	Approved	01/17/1985
Colorado	Approved	10/10/1984
Connecticut	Approved	11/09/1984
Delaware	Approved	10/24/1984
District of Columbia	Approved	05/16/1984
Florida	Approved	01/02/1985
Georgia	Approved	10/17/1984
Hawaii	Approved	06/04/2002
Idaho	Approved	01/01/1985
Illinois	Approved	10/23/1984
Indiana	Approved	11/13/1984
Iowa	Approved	02/12/1985
Kansas	Approved	01/25/1985
Kentucky	Approved	04/18/1984
Louisiana	Approved	11/05/1984
Maine	Approved	01/18/1985
Maryland	Approved	05/22/1984
Massachusetts	Approved	06/11/1984
Michigan	Approved	10/22/1984
Minnesota	Approved	04/18/1984
Mississippi	Approved	01/16/1985
Missouri	Approved	01/01/1985
Montana	Approved	01/01/1985
Nebraska	Approved	04/23/1985
Nevada	Approved	10/29/1984
New Hampshire	Approved	09/18/1985
New Jersey	Approved	07/29/1988
New Mexico	Approved	01/03/1985
New York	Approved	01/25/1985

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	11/16/1984
North Dakota	Approved	12/03/1984
Ohio	Approved	04/09/2002
Oklahoma	Approved	12/10/1984
Oregon	Approved	02/20/1985
Pennsylvania	Approved	10/24/1984
Puerto Rico	Approved	07/17/2015
Rhode Island	Approved	11/20/1984
South Carolina	Approved	12/21/1984
South Dakota	Approved	01/02/1985
Tennessee	Approved	10/26/1984
Texas	Approved	09/04/1984
Utah	Approved	11/27/1984
Vermont	Approved	02/21/1985
Virgin Islands	Approved	07/22/2015
Virginia	Approved	07/23/1984
Washington	Approved	04/09/1985
West Virginia	Approved	10/29/1984
Wisconsin	Approved	02/17/1986
Wyoming	Approved	11/08/1984

Firm Operations



Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 2 types of businesses.

Types of Business

Mutual fund underwriter or sponsor
Mutual fund retailer

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



This firm does have books or records maintained by a third party.

Name: ADVISER COMPLIANCE ASSOCIATES LLC (ACA GROUP)

Business Address: 140 E. 45TH STREET
29TH FLOOR
NEW YORK, NY 10017

Effective Date: 01/17/2024

Description: THE FIRM WILL USE THE COMPLIANCEALPHA SYSTEM, MAINTAINED AND HOSTED BY ACA GROUP, TO MONITOR EMPLOYEE PERSONAL SECURITIES TRADES, TO MONITOR EMPLOYEE POLITICAL CONTRIBUTIONS, AND FOR ROUTING AND APPROVAL OF ADVERTISING AND SALES LITERATURE. A RULE 17A-4 UNDERTAKING HAS BEEN FILED.

Name: SMARSH

Business Address: 11 TIMES SQUARE
31ST FLOOR
NEW YORK, NY 10036

Effective Date: 03/01/2016

Description: SMARSH MAINTAINS OUR EMAIL AND SOCIAL MEDIA ARCHIVES.

Name: AGFINANCIAL

Business Address: 3900 OVERLAND AVENUE
SPRINGFIELD, MO 65807

Effective Date: 03/31/2015

Description: AGFINANCIAL OPERATES AND MAINTAINS THE DATA SERVERS ON WHICH WE STORE BUSINESS RECORDS AND OPERATES AND MAINTAINS REDUNDANT COPIES OF SUCH BUSINESS RECORDS FOR BUSINESS CONTINUITY AND DISASTER RECOVERY PURPOSES.

Name: COMPLIANCE SCIENCE, INC.

Business Address: 136 MADISON AVENUE
NEW YORK, NY 10016

Effective Date: 08/30/2018

Description: COMPLIANCE SCIENCE STORES BOOKS AND RECORDS RELATED TO PERSONAL TRADE PER-CLEARANCE, PERSONAL SECURITIES ACCOUNTS, GIFTS AND ENTERTAINMENT, POLITICAL CONTRIBUTIONS,

Firm Operations



Industry Arrangements (continued)

AND OTHER COMPLIANCE-RELATED FUNCTIONS FOR THE FIRM.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

CROSSMARK WEALTH MANAGEMENT, LLC is under common control with the firm.

CRD #:	289004
Business Address:	15375 MEMORIAL DRIVE SUITE 200 HOUSTON, TX 77079
Effective Date:	06/29/2017
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	CROSSMARK WEALTH MANAGEMENT, LLC IS AN INVESTMENT ADVISER REGISTERED UNDER THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED. CROSSMARK WEALTH MANAGEMENT, LLC IS DIRECTLY OWNED BY CROSSMARK GLOBAL HOLDINGS, INC., THE PARENT COMPANY OF CROSSMARK GLOBAL INVESTMENTS, INC..

CROSSMARK GLOBAL INVESTMENTS, INC. is under common control with the firm.

CRD #:	113360
Business Address:	15375 MEMORIAL DRIVE SUITE 200 HOUSTON, TX 77079
Effective Date:	09/01/1987
Foreign Entity:	No
Country:	
Securities Activities:	No

Firm Operations



Organization Affiliates (continued)

Investment Advisory Activities: Yes

Description: CROSSMARK GLOBAL INVESTMENTS, INC. FKA CAPSTONE ASSET MANAGEMENT COMPANY IS AN INVESTMENT ADVISER REGISTERED UNDER THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED. THE FIRM IS DIRECTLY OWNED BY CROSSMARK GLOBAL HOLDINGS, INC. FKA CAPSTONE FINANCIAL SERVICES, INC.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	2	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 2

Reporting Source: Regulator

Current Status: Final

**Allegations:**

NASD RULES 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(2)(B): IN CONNECTION WITH A FUND, THE FIRM DISTRIBUTED COMMUNICATIONS TO THE PUBLIC. THE FUND'S NET ASSETS DECLINED SIGNIFICANTLY AS A RESULT OF THE DECREASE IN THE FAIR VALUE OF THE ASSETS IN THE FUND AND THE LARGE NUMBER OF REPURCHASES REQUESTED BY INVESTORS, AMONG OTHER FACTORS. THE FUND ALSO EXPERIENCED DIFFICULTY IN OBTAINING CASH TO SATISFY ITS QUARTERLY REPURCHASE REQUESTS. THE FUND THEREFORE CHANGED ITS POLICY FROM ALLOWING ITS INVESTORS TO MAKE QUARTERLY REPURCHASE REQUESTS TO ALLOWING ITS INVESTORS TO MAKE ANNUAL REPURCHASE REQUESTS. THE FIRM OMITTED ANY DETAILS OR INFORMATION ABOUT THE FUND'S DISTRESSED HOLDINGS IN THE FUND WEBSITE AND FUND FACT SHEET. OTHER DISCLOSURES EXPLAINED THE DETERIORATION OF THE FUND'S HOLDING. THE HOLDINGS DOCUMENT FAILED TO IDENTIFY HOLDINGS IN THE FUND THAT WERE NON-INCOME PRODUCING. AT LEAST 18 BONDS IN THE FUND WERE NON-INCOME PRODUCING SECURITIES, ACCORDING TO THE QUARTERLY UNAUDITED FINANCIAL STATEMENTS FILED. THE FUND'S WEBSITE STATED THAT IT WAS AN INTERVAL FUND AND "UNLIKE OTHER TYPES OF CLOSED-END FUNDS, AN INTERVAL FUND PERIODICALLY OFFERS TO BUY BACK A STATED PORTION OF ITS SHARES FROM SHAREHOLDERS." THIS STATEMENT WAS MISLEADING, EXAGGERATED AND/OR UNWARRANTED BECAUSE IT OMITTED AN EXPLANATION OF THE FUND'S DIFFICULTY IN OBTAINING CASH TO SATISFY ITS QUARTERLY REPURCHASE REQUESTS (THAT ULTIMATELY LED TO A CHANGE IN FROM A QUARTERLY TO ANNUAL OPPORTUNITY FOR THE FUND TO REPURCHASE A PORTION OF OUTSTANDING SHARES), AND THE POTENTIAL THAT AN INVESTOR MAY NOT BE ABLE TO SELL HIS SHARES EVEN PURSUANT TO THE ANNUAL REPURCHASE POLICY. THE FUND WEBSITE'S STATEMENT THAT THE FUND "PERIODICALLY OFFERS TO BUY BACK A PORTION OF ITS SHARES" WAS MISLEADING, EXAGGERATED AND/OR UNWARRANTED. IN LIGHT OF THE DETERIORATION IN VALUE OF THE FUND'S HOLDINGS, THE DESCRIPTION ON THE FUND'S WEBSITE OF CHURCH MORTGAGE BONDS AND CHURCH MORTGAGE LOANS AS "HIGH QUALITY" IS FALSE, EXAGGERATED, UNWARRANTED AND/OR MISLEADING. THE FUND WEBSITE'S COMPARISON OF CHURCH MORTGAGE BONDS AND LOANS, IN WHICH IT INVESTED, TO "CORPORATE BONDS OF SIMILAR CREDIT QUALITY AND MATURITY" DID NOT DISCLOSE THE MATERIAL DIFFERENCES BETWEEN CORPORATE BONDS AND CHURCH MORTGAGE BONDS AND CHURCH MORTGAGE LOANS, INCLUDING BUT NOT LIMITED TO DIFFERENCES IN THEIR CREDIT QUALITY.

Initiated By: FINRA
Date Initiated: 08/23/2013
Docket/Case Number: 2012030897101



Principal Product Type: Other

Other Product Type(s): CHURCH FUND

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/23/2013

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE IT IS CENSURED AND FINED \$20,000. FINE PAID IN FULL ON SEPTEMBER 12, 2013.

Reporting Source: Firm

Current Status: Final

Allegations: FINRA ALLEGED THAT CAPSTONE ASSET PLANNING COMPANY, THE PRINCIPAL UNDERWRITER AND DISTRIBUTOR OF THE CAPSTONE CHURCH CAPITAL FUND ("FUND"), A REGISTERED CLOSED END INVESTMENT COMPANY, FROM SEPTEMBER 2010 TO AUGUST 2012, VIOLATED NASD RULES 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(2)(B) AND FINRA RULE 2010, WHEN IT DISTRIBUTED COMMUNICATIONS TO THE PUBLIC CONCERNING THE FUND WHICH OMITTED CERTAIN INFORMATION ABOUT THE FUND'S HOLDINGS AND ABOUT CHANGES TO THE FUND'S REPURCHASE POLICY, CONTAINED MISLEADING STATEMENTS ABOUT THE QUALITY OF THE FUND'S HOLDINGS, AND FAILED TO ADEQUATELY DISCLOSE MATERIAL DIFFERENCES IN CERTAIN COMPARISONS.

Initiated By: FINANCIAL INDUSTRY REGULATORY AUTHORITY, INC. (FINRA)

Date Initiated: 06/27/2013



Docket/Case Number: 2012030897101

Principal Product Type: Other

Other Product Type(s): CLOSED-END FUND

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 08/23/2013

Sanctions Ordered: Censure
Monetary/Fine \$20,000.00

Other Sanctions Ordered:

Sanction Details: SANCTION DETAIL: \$20,000.00

Firm Statement

IN RESPONSE TO FINRA'S ALLEGATIONS CAPSTONE ASSET PLANNING COMPANY ("CAPCO"), ON AUGUST 23, 2013, CONSENTED TO A LETTER OF ACCEPTANCE, WAIVER AND CONSENT AND THE IMPOSITION OF A CENSURE AND A FINE IN THE AMOUNT OF \$20,000.00. FINRA STATED THAT CAPCO, THE PRINCIPAL UNDERWRITER AND DISTRIBUTOR OF THE CAPSTONE CHURCH CAPITAL FUND ("FUND"), A REGISTERED CLOSED END INVESTMENT COMPANY THAT WAS ALSO AN INTERVAL FUND, FROM SEPTEMBER 2010 TO AUGUST 2012, VIOLATED NASD RULES 2210(D)(1)(A), 2210(D)(1)(B), 2210(D)(2)(B) AND FINRA RULE 2010, WHEN IT DISTRIBUTED COMMUNICATIONS TO THE PUBLIC CONCERNING THE FUND. FINRA STATED THAT CAPCO HAD OMITTED CERTAIN INFORMATION FROM FUND SALES LITERATURE ABOUT THE DETERIORATION OF SOME OF THE FUND'S MORTGAGE BOND AND MORTGAGE LOAN HOLDINGS, NOTWITHSTANDING THAT THE INFORMATION WAS CONTAINED IN FUND DOCUMENTS FILED WITH THE SEC AND POSTED ON THE FUND'S WEBSITE. FINRA ALSO STATED THAT CAPCO FAILED TO DISCLOSE IN FUND SALES LITERATURE MATERIAL INFORMATION RELATING TO CHANGES TO THE FUND'S REPURCHASE POLICY, NOTWITHSTANDING THAT THIS INFORMATION WAS CONTAINED IN PROXY STATEMENTS APPROVED BY SHAREHOLDERS AND IN SUBSEQUENT REGISTRATION STATEMENTS, ALL OF WHICH WERE POSTED ON THE FUND'S WEBSITE. FINRA ALSO STATED THAT CAPCO PUBLISHED MISLEADING INFORMATION ABOUT THE QUALITY OF THE FUND'S HOLDINGS. FINALLY, FINRA STATED THAT CAPCO PUBLISHED COMPARISONS BETWEEN FUND HOLDINGS AND OTHER CORPORATE BONDS THAT FAILED TO DISCLOSE MATERIAL DIFFERENCES BETWEEN THE TWO.

**Disclosure 2 of 2**

Reporting Source: Regulator

Current Status: Final

Allegations: THE BROKER-DEALER FAILED TO COMPLY WITH THE PROVISIONS OF SECTION 13.1-518.1 IN THAT IT FAILED TO FILE THE FIRM'S SEPTEMBER 30, 1990 ANNUAL AUDITED STATEMENT WITHIN THE PRESCRIBED TEN DAY TIME LIMIT.

Initiated By: VIRGINIA - STATE CORPORATION COMMISSION
DIVISION OF SECURITIES

Date Initiated: 03/29/1991

Docket/Case Number: SEC 910028

URL for Regulatory Action:

Principal Product Type:

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Consent

Resolution Date: 03/29/1991

Sanctions Ordered: Monetary/Fine \$1,000.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING GUILT, CAPSTONE ASSET PLANNING COMPANY PAID THE COMMONWEALTH OF VIRGINIA A PENALTY IN THE AMOUNT OF \$1,000. ALSO DEFENDANT IS ENJOINED FROM ANY FURTHER CONDUCT WHICH CONSTITUTE'S A VIOLATION OF VIRGINIA CODE SECTION 13.1-518.1.

Regulator Statement CONTACT SHERYL DEVAUN, REGISTRATION EXAMINER,
804-786-7751.

Reporting Source: Firm

Current Status: Final



Allegations:	ON MARCH 29,1991, A CONSENT AND SETTLEMENT ORDER WAS ENTERED. WITHOUT ADMITTING OR DENYING THE AVERMENTS, CAPSTONE ASSET PLANNING COMPANY CONSENTED TO THE ENTRY OF THE ORDER AFTER IT INADVERTENTLY FAILED TO TIMELY SUMIT THE FIRMS LATEST AUDITED FINANCIAL STATEMENT AND FORM X-17A-5 TO THE STATE CORPORATION COMMISSSION DIVISION OF SECURITIES PURSUANT TO SECTION 13.1-518 OF THE CODE OF VIRGINIA. CAPSTONE ASSET PLANNING COMPANY AGREED TO COMPLY WITH THE VIRGINIA CODE AND PAID THE COMMONWEALTH OF VIRGINIA A PENALTY OF \$1,000 PURSUANT TO SECTION 13.1-521 OF THE CODE.
Initiated By:	COMMONWEALTH OF VIRGINIA
Date Initiated:	03/29/1991
Docket/Case Number:	SEC910028
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Consent
Resolution Date:	03/29/1991
Sanctions Ordered:	Monetary/Fine \$1,000.00
Other Sanctions Ordered:	
Sanction Details:	ON MARCH 29,1991, A CONSENT AND SETTLEMENT ORDER WAS ENTERED. WITHOUT ADMITTING OR DENYING THE AVERMENTS, CAPSTONE ASSET PLANNING COMPANY CONSENTED TO THE ENTRY OF THE ORDER AFTER IT INADVERTENTLY FAILED TO TIMELY SUMIT THE FIRMS LATEST AUDITED FINANCIAL STATEMENT AND FORM X-17A-5 TO THE STATE CORPORATION COMMISSSION DIVISION OF SECURITIES PURSUANT TO SECTION 13.1-518 OF THE CODE OF VIRGINIA. CAPSTONE ASSET PLANNING COMPANY AGREED TO COMPLY WITH THE VIRGINIA CODE AND PAID THE COMMONWEALTH OF VIRGINIA A PENALTY OF \$1,000 PURSUANT TO SECTION 13.1-521 OF THE CODE.
Firm Statement	ON MARCH 29,1991, A CONSENT AND SETTLEMENT ORDER WAS ENTERED. WITHOUT ADMITTING OR DENYING THE AVERMENTS, CAPSTONE ASSET PLANNING COMPANY CONSENTED TO THE ENTRY OF THE ORDER AFTER IT INADVERTENTLY FAILED TO TIMELY SUMIT THE FIRMS LATEST AUDITED FINANCIAL STATEMENT AND FORM X-17A-5 TO THE STATE CORPORATION



COMMISSSION DIVISION OF SECURITIES PURSUANT TO SECTION 13.1-518
OF THE CODE OF VIRGINIA. CAPSTONE ASSET PLANNING COMPANY
AGREED TO COMPLY WITH THE VIRGINIA CODE AND PAID THE
COMMONWEALTH OF VIRGINIA A PENALTY OF \$1,000 PURSUANT TO
SECTION 13.1-521 OF THE CODE.

End of Report



This page is intentionally left blank.